

Lesson 23: Credit for Child and Dependent Care

Does Vanessa qualify for the child and dependent care credit?

Bella, Zoe, and Zachary are Vanessa's three dependent children. Let's determine if Vanessa is eligible for the child and dependent care credit by using the Can You Claim the Credit for Child and Dependent Care Expenses? decision tree in the Volunteer Resource Guide (Tab G).

Sample Interview Clarifying Child and Dependent Care Credit

SAMPLE INTERVIEW	
VOLUNTEER SAYS...	VANESSA RESPONDS...
<i>Did you pay for child care during the tax year?</i>	Zach attends a free after-school program. My mom watches Bella all day, and she watches Zoe most of the time; Zoe goes to preschool one day a week.
<i>You may be able to take the credit for child and dependent care expenses. Let me go over a couple of things with you. I already know that your three dependent children are under 13, so they qualify.</i>	Okay.
<i>And I know that you have earned income because you work in a department store. Did you pay for child care so that you could go to this job?</i>	Yes.
<i>And Zoe's day-care provider is not a relative, correct?</i>	The preschool is not. I don't have to pay my mom.
<i>We already know that you are filing as Head of Household, and meet the conditions of "unmarried" for tax purposes. Did you bring the name, address, and tax identification number of the provider with you?</i>	Yes, I did.
<i>What were your child-care expenses for the year?</i>	Well, I pay the preschool \$125 a month, so that would be \$1,500 for the year.
<i>Does your company provide any dependent care benefits?</i>	No.
<i>Well, your expenses definitely qualify. Now all we have to do is figure out the amount of your child and dependent care credit.</i>	Great! Thanks for your help!

Based on your findings during the interview, you make the following note on Vanessa's intake and interview sheet. In Part IV, Item 9, you write \$1,500. .

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Educational expenses paid for yourself, spouse or dependent (such as tuition, fees, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Unreimbursed employee business expenses (such as mileage)?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Medical expenses? \$2,102
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Home mortgage interest?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Real estate taxes for your home or personal property taxes?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Charitable contributions? \$200
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Child/dependent care expenses that allowed you and your spouse, to work or to look for work? \$1,500

Part IV Life Events 2010 Did you (or your spouse) ... Check Yes, No or Measure for all questions below



Return to Lesson 23.